COMBINED ADEQUATE PUBLIC FACILITIES LETTER OF UNDERSTANDING

VILLAGES OF URBANA PLANNED UNIT DEVELOPMENT URBANA OFFICE RESEARCH CENTER VC LOTS

URBANA TOWN CENTER EMPLOYMENT DISTRICT MXD (NORTHERN MXD) WORTHINGTON SQUARE

EXPLANATORY NOTES

- 1. The original Adequate Public Facilities Letters of Understanding ("LOUs") for the Villages of Urbana Planned Unit Development ("PUD"), which after rezonings and annexations now encompasses approximately 980 acres approved for the development of 3,013 residential units and compatible office and retail uses, were executed on September 11, 1996, by the Frederick County Planning Commission ("Commission") and two land owners Monocacy Land Company, LLC ("Monocacy"") and The Kiplinger Washington Editors, Inc. Those two LOUs were subsequently amended, then combined and revised, resulting in an Amended and Restated LOU dated February 9, 2004; a First Amendment to Amended and Restated LOU dated July 2, 2008; and a Second Amendment to Amended and Restated LOU dated November 16, 2011 (collectively referred to as "PUD LOU").
- 2. The original LOU for the Urbana Office Research Center ("ORC"), an approximately 354 acre office and retail project then zoned Office/Research Industrial ("ORI") and Village Center ("VC"), was executed on September 11, 1996, by the Commission and The Kiplinger Washington Editors, Inc. and Fairview Properties, Inc., predecessors in title to Urbana Corporate Center LLC ("UCC"), the current owner of the ORC. Monocacy is also the developer of the ORC. The 1996 ORC LOU was subsequently revised and replaced by an LOU dated January 27, 2000; a Second Amended LOU dated March 30, 2001; a First Amendment to Second Amended LOU dated July 8, 2003; and a Second Amendment to Second Amended LOU dated July 2, 2008, (collectively referred to as "ORC LOU"). A portion of the ORC was rezoned from ORI to Mixed Use Development ("MXD") in 1998.
- 3. Urbana Investment Properties II, LLC is the owner, and Monocacy is the developer, of the Urbana Town Center Employment District MXD, an approximately 182 acre mixed-use project containing employment, residential, and retail uses that adjoins the PUD to the north ("Northern MXD").
- 4. Natelli Holdings Three, LLC is the owner, and Monocacy is the developer, of two parcels of land near the southern boundary of the PUD and the northern boundary of the ORC, formerly known as the Geisbert property, containing a total of approximately 3.29 acres of land and zoned Mixed Use ("MX"). Other parcels owned by Monocacy and UCC, zoned VC, are contiguous to these MX parcels, and Monocacy intends to concurrently develop the MX-zoned and VC-zoned parcels (collectively described as "Worthington Square"). The Commission has approved a

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Concept Plan for development of Worthington Square as a residential townhouse project with a small amount of retail area.

- 5. Monocacy is the owner and developer of six (6) lots zoned VC at the eastern intersection of Urbana Pike and Sugarloaf Parkway that have received Concept Plan approval from the Commission and that will be developed as part of Section M-1F of the PUD ("Eastern VC Lots").
- 6. Natelli Holdings II, LLC is the owner of one (1) lot zoned VC and Monocacy is the owner of five (5) lots zoned VC at the western intersection of Urbana Pike and Sugarloaf Parkway. Monocacy is the developer of all six (6) of these lots, and these six (6) lots have received Combined Preliminary Plan/Site Plan approval from the Commission and are subject to an Adequate Public Facilities Letter of Understanding between Monocacy and the Commission dated June 13, 2012 ("Western VC Lots LOU"). These six (6) lots will be developed as part of Sections M-1F/M-1A of the PUD ("Western VC Lots").
- 7. Monocacy, UCC, Urbana Investment Properties II, LLC, Natelli Holdings II, LLC and Natelli Holdings Three, LLC, are collectively referred to herein as "Owners" of the Urbana Projects, as defined below, and individually referred to as an "Owner".
- 8. Many of the improvements required to be completed pursuant to both the PUD LOU and the ORC LOU were substantially identical since such improvements were necessary to serve both the PUD and the ORC, and certain of these improvements have been completed to date.
- 9. Recordation of subdivision plats for the PUD has caused the APFO schools approval to be satisfied in full for 2,769 non-age restricted residential units in the PUD; the remaining 152 non-age restricted units (including the Western VC Lots and the Eastern VC Lots) and 92 age-restricted units will have a valid APFO approval as described in the tables which follow and in Section V below.
- 10. Monocacy has performed, or has requested, APFO analysis of the roads, water, sewer and school facilities required to serve the Northern MXD and Worthington Square, and has proffered to either construct improvements or contribute escrow funds for the construction of certain roads, water and sewer improvements required to mitigate inadequacies in the facilities that will serve the Northern MXD and Worthington Square. Monocacy elects to pay the School Construction Fee, to the extent necessary, in accordance with Section 1-20-62 of the APFO as a means of mitigating inadequacies in the schools that will serve the residential components of the Northern MXD and Worthington Square.
- 11. Certain elements of the road, water and sewer improvements required to serve the Northern MXD and Worthington Square are the same as those described in the PUD LOU and the ORC LOU.
- 12. The Traffic Impact Analysis prepared by Wells + Associates, Inc. for the Northern MXD dated February 13, 2013 ("TIA"), incorporates APFO traffic analysis assuming full phased build-out of the PUD, the ORC, the Eastern VC Lots, the Western VC Lots and Worthington Square as

background (together with other "pipeline projects" within the scope of the TIA). The TIA includes and contemplates construction of the remaining road improvements required by the PUD LOU and the ORC LOU, which improvements are also needed and utilized by proposed development of the Northern MXD and Worthington Square (collectively, hereafter, PUD, ORC, Northern MXD, Worthington Square, the Western VC Lots and the Eastern VC Lots are referred to as the "Urbana Projects", and individually as a "Project").

13. Timing of construction of the road improvements that are required for the Urbana Projects will depend upon the number of overall morning (AM) and evening (PM) peak hour vehicle trips¹ associated with approved uses in the Urbana Projects and the timing of development of these uses in response to market demand and other factors. Monocacy desires the ability to consolidate the Urbana Projects under a single LOU that would allow Monocacy, without the need for further review or approvals, to time the construction of road improvements with the collective development of uses in the Urbana Projects, in no prescribed order or schedule, based on the number of overall AM and PM peak hour vehicle trips to be generated by each platted/developed use, provided that the maximum number of allowable overall AM and PM peak hour vehicle trips in each Phase of the road construction program described in this Letter is not exceeded by the combined development in the Urbana Projects prior to completion of road improvements required in subsequent Phases.

LETTER OF UNDERSTANDING

I. INTRODUCTION

The following Combined Adequate Public Facilities Letter of Understanding for the Urbana Projects ("Combined LOU") between the Board of County Commissioners of Frederick County, Maryland ("BOCC") and the Owners of the Urbana Projects, Monocacy, or their individual or collective assigns, sets forth the conditions and terms which the BOCC deems to be the minimum necessary improvements related to roads, water, sewer and schools that must be in place for the development of the Urbana Projects, all to be developed in compliance with Chapter 1-20 of the Frederick County Code ("APFO"); and in compliance with the PUD Phase II Plan for the PUD approved by the Commission on November 17,1993, last revised on September 21, 2011; the MXD Phase I Plan for the MXD portion of the ORC approved by the BOCC on August 4, 1998, last revised on December 6, 2012, the Preliminary Plan for the ORC, approved by the Commission on January 12, 2000, last revised on March 1, 2011; the MXD Phase I Plan for the Northern MXD approved by the BOCC on October 5, 2006, last revised on December 6, 2012, the Concept Plan for Worthington Square, approved by the Commission on January 9, 2013, the Combined Preliminary Plan/Site Plan for the Western VC Lots, approved by the Commission on June 13, 2012 and the Concept Plan for the Eastern VC Lots, approved by the Commission on April 10, 2013.

Concurrent with the processing of this Combined LOU, Monocacy is seeking approval from the BOCC of a Development Rights and Responsibilities Agreement ("DRRA") under Section 1-25 of the County Code with concurrent APFO approval pursuant to Ordinance No. 12-04-599. As

¹ AM and PM peak hour refers to the "weekday peak hour of adjacent street traffic" as defined by the Institute of Transportation Engineers (ITE).

established by the DRRA, the Combined LOU for the Urbana Projects will meet the APFO requirements for development of the Urbana Projects. Monocacy and the Owners hereby agree and understand that compliance with the terms and conditions of this Combined LOU is required for the development of the Urbana Projects to proceed. While this Combined LOU is subject to approval by the BOCC through the process of, and concurrent with, the DRRA, it is expressly agreed that the Combined LOU is a document which is separate and apart from the DRRA and that the Combined LOU may be amended by written amendment approved by the Commission, with no requirement to amend the DRRA.

II. PROPERTY SUBJECT TO THE COMBINED LOU

This Letter addresses the following properties that constitute the Urbana Projects: 1) the remaining undeveloped portions of the PUD (zoned PUD); 2) the remaining undeveloped portions of the ORC, (zoned ORI, MXD and VC), including a 1.51 acre parcel of land contiguous to the ORC on Urbana Pike which was recently acquired by UCC from AT&T; 3) the Northern MXD (zoned MXD); 4) Worthington Square (zoned MX and VC); 5) the Western VC Lots and 6) the Eastern VC Lots. This APFO approval will be effective for a period of eighteen (18) years from the date hereof, permitting development of the combined uses shown on: 1) the revised PUD Phase II Plan for the PUD; 2) the revised Preliminary Plan for the ORC; 3) the revised MXD Phase I – Justification Plan for the Northern MXD; 4) the Concept Plan for Worthington Square; 5) the Combined Preliminary Plan/Site Plan for the Western VC Lots and 6) the Concept Plan for the Eastern VC Lots. The land constituting the Urbana Projects is shown on **EXHIBIT A**, attached hereto and made a part hereof.

A. USES AND CAPACITY IN THE PROJECTS

The uses in the Urbana Projects that are (1) constructed within the APFO approval period; or (2) for which subdivision plats have been recorded within the APFO approval period; or (3) or for which roads, water and sewer improvements have been installed and for which APFO school requirements have been satisfied within the APFO approval period; are thereby vested for the capacity created by completion of the required the improvements or payment of the required amounts for escrows or fees, and not subject to any further APFO testing unless there is (1) an increase in the density or intensity of any Project, or (2) for roads, an increase in site trips or a significant redistribution of site traffic because of a change in land use or increase in site density as defined in the Frederick County Guidelines for the Preparation of Traffic Impact Analyses for Development Applications ("TIA Guidelines") (see also subsection II.C. below). These uses are described in the following tables. The following tables also present the quantity of development units which have fully satisfied APFO requirements through mitigation measures as described above, undertaken at the appropriate time in the execution of the development or which require future APFO testing in order to satisfy the requirements of the APFO.

Portion of the URBANA PROJECTS	Passed APFO for Schools Recorded Lots	May be Recorded After Meeting Mitigation Requirements	Age Restricted Units Subject to APFO Test If Converted to Non-Age Restricted	Total Residential Dwelling Units
PUD & VC Lots ^[1] Worthington Square ^[2] Northern MXD	2,769 0 0	152 72 610	92 0 0	3,013 72 610
Total	. 2,769	834	92	3,695

NOTES TO TABLE:

Portion of the URBANA PROJECTS	Passed APFO for W&S Recorded Lots / SF	May be Recorded After Extending Existing Service Lines - Approval of Improvement Plans (Lots/SF)	Require Final Approval for Infrastructure Water & Sewer Lines & Facilities	Total Residential Dwelling Units and Non-Residential SF
PUD & VC Lots - Residential Units ⁽¹⁾ PUD - Non-Residential SF Worthington Square - Residential Units Worthington Square - Non-Residential SF ORC - Non-Residential SF ^[2] ORC - Hotel Rooms (approx 93,000 SF) ^[2] Northern MXO - Residential Units ^[1]	2,769 194,948 0 0 374,950 0	152 161,502 72 5,000 1,265,457 150	92 0 0 0 0	3,013 356,450 72 5,000 1,640,402 150
Northern MXD - Non-Residential SF [1][2]	0	2,000,000)	2,000,000
TOTAL RESIDENTIAL DWELLING UNITS	2,769	926		3,695
TOTAL NON-RESIDENTIAL SF	569,898	3,431,954		4,001,852
TOTAL HOTEL ROOMS	0	150		150

NOTES TO TABLE

^{[1] -} Mitigation to satisfy the APFO for Schools is required in connection with the recordation of the 152 dwelling units remaining to be recorded/re-recorded in the PUD as specified in Section V of this Combined APFO Letter of Understanding. Mitigation accomplished through the payment of School Construction Fees is paid concurrent with plat recordation.

^{[2] -} The Concept Plan that has been approved by the Commission for Worthington Square comprises 72 Townhouse Lots; it is likely that the ultimate combined preliminary plan/site plan will contain fewer lots - regardless of the final count of Townhouse Lots in Worthington Square, all of the Lots require mitigation to satisfy the APFO for Schools concurrent with plat recordation.

^{[1] -} The 92 Age-Restricted Units in the PUD and a portion of the Northern MXD require an outfall solution for wastewater; either by construction of a wastewater pumping station or by construction of a gravity outfall from Urbana to the Bush Creek Main Sewer Outfall. The final configuration is subject to the review and approval of the Frederick County Division of Utilities and Solid Waste Management.

^{[2] -} Frederick County Division of Utilities & Solid Waste Management is evaluating the timing and required capacity for a second elevated water storage facility to serve the Urbana Projects and other development in the Urbana Vicinity and will make a final determination during the process of site plan reviews and lot recordations in the noted sections of the Urbana Projects.

Portion of the URBANA PROJECTS	Passed APFO for Roads Recorded Lots / SF	May be Recorded/Occupled Within the Trip Parameters Established in Exhibit B Attached Hereto - Phases O thru 4	Will Require Additional APFO Roads Testing in order to be Recorded/Occupied	Total Residential Dwelling Units and Non-Residential SF
PUD & VC Lots ^{11]} - Residential Units PUD - Non-Residential SF Worthington Square - Residential Units ^{12]} Worthington Square - Non-Residential SF ^{12] Worthington Square - Non-Residential SF ^{12] ORC - Non-Residential SF ORC - Hotel Rooms (approx 93,000 SF) Northern MXD - Residential Units Northern MXD - Non-Residential SF ^[3]}}	2,769 194,948 0 0 374,950 0 0	244 161,502 72 2,000 1,265,452 150 610 1,650,000	3,000	3,013 356,450 72 5,000 1,640,402 150 610 2,000,000
TOTAL RESIDENTIAL DWELLING UNITS	2,769	926	0	3,695
TOTAL NON-RESIDENTIAL SF	569,898	3,078,954	353,000	4,001,852
TOTAL HOTEL ROOMS	0	150	0	150

NOTES TO TABLE:

GENERAL NOTE - As provided herein, the VC Lots, Worthington Square and the Northern MXD are required to make escrow payments for road improvements that will likely be built by others, but will benefit such developments. The PUD and the ORC are not subject to making any such escrow payments.

[1] - The TIA addressed all of the development units shown in this table.

[2] - The Concept Plan that has been conditionally approved by the Commission for Worthington Square comprises 72 Townhouse Lots and 5,000 SF of Non-Residential space; it is likely that the ultimate combined preliminary plan/site plan for the residential component of Worthington Square will contain fewer lots and that the final site plan for the non-residential component of Worthington Square will contain fewer than 5,000 building SF. Notwithstanding these probable outcomes, the TIA provided for 72 Townhouse Lots and 2,000 SF of Restaurant Uses in Worthington Square.

[3] - The TIA does not provide mitigation to accommodate the remaining 3,000 SF of Non-Residential shown on the Worthington Square Concept Plan or the remaining 350,000 SF of employment uses allowed to be developed in the Northern MXO under that development's Phase 1 Zoning Approval. Accordingly, once the maximum trip capacities specified on EXHIBIT B have been exhausted, further testing for compliance with APFO Roads Ordinance will be required.

B. REVISION OF SQUARE FOOTAGE MIX AND TRANSFER OF RESIDENTIAL UNITS

Monocacy may, from time to time, request revisions to the square footage mix of the specific commercial and employment uses outlined in the tables above (note: the term "square footage mix" shall include hotel rooms) including transfer of square footage from one component of the Urbana Projects to another. Monocacy may also request the transfer of residential units between and among the Urbana Projects, provided that such transfer complies with all requirements and conditions of zoning for each of the affected Projects. No transfer request shall be approved unless the following minimum requirements are met: a) Monocacy's civil engineer demonstrates to the satisfaction of the Frederick County Division of Utilities and Solid Waste Management ("DUSWM") that the proposed transfer will remain adequately served by water and sewer infrastructure; b) Monocacy's traffic engineer submits a Traffic Memorandum certifying that the trip generation levels resulting from such revised square footage mix of uses, including transportation capacity used to date, will not exceed the cumulative maximum overall AM and PM peak hour vehicle trip generation levels approved under this Combined LOU for the applicable phase of road improvements or in the aggregate at build-out; c) Frederick County Public Schools ("FCPS") determines that the school attendance area is the same for both the transferring and receiving areas and that development on the receiving parcel will generate the

same or fewer students than would development of the transferring parcel; d) Monocacy agrees to pay any adjusted School Construction Fee amounts resulting from a change in unit types; e) any transfer is subject to final preliminary subdivision/site plan approval of all proposed uses; and f) an Amendment to this Combined LOU shall be executed by Monocacy and the Frederick County Planning Commission.

III. ROADS

A. ROAD IMPROVEMENTS

The road improvements program described in the following paragraphs is based on the TIA analysis, and these improvements, together with the credited capacity created by road improvements previously constructed by Monocacy, will provide capacity for 6,240 AM peak hour vehicle trips and 7,692 PM peak hour trips. Monocacy will construct the road improvements in four (4) phases, with each phase of road improvements allowing an incremental increase in development of uses in the Urbana Projects. A trip generation equivalency was established for the Urbana Projects that would allow development to occur anywhere within the Urbana Projects for each road improvement phase based on the cumulative total trips shown on EXHIBIT B, attached hereto and made a part hereof. The anticipated densities of development in the Urbana Projects, by phase of road improvements and cumulatively, are shown on EXHIBIT B; however, Monocacy acknowledges that the non-residential square footage amounts and dwelling unit counts shown in each Phase are estimates only, and the amount of trips used for approved/recorded/constructed uses will determine the remaining available capacity in any given Phase. The corresponding road capacity created by the completion of the improvements described in the following paragraphs to support development occurring in the Urbana Projects is also shown, by Phase and cumulatively, on EXHIBIT B.

To the extent the quantities of development or the types of development in each phase, or in the aggregate, vary from that shown in the table above, Monocacy's traffic engineer will update the "in phase" and "cumulative" number of AM and PM Peak Hour trips generated by the revised development mix to demonstrate that the total capacities created by each phase of road improvements constructed have not been exceeded by the total number of AM and PM Peak Hour trips generated by the revised development timing/mix.

The road improvements required for the Urbana Projects are listed in Phases 1 through 4 below and are shown on **EXHIBIT C** attached hereto and made a part hereof. Monocacy shall construct or cause to be constructed each improvement listed below, or, if an improvement is built sooner by others, pay a fair share contribution to the escrow account established by Frederick County for such improvement.

PHASE 0 - VESTED TRIP CAPACITY 3,722 AM Peak Hour Trips; 5,019 PM Peak Hour Trips

Unless otherwise specified, plats may be recorded, and building/occupancy permits may be issued (provided all other required approvals have been obtained including, but not limited to, approvals for other aspects of the APFO) in the Urbana Projects for the development uses shown

in **EXHIBIT B** under the column entitled "Phase 0 – Existing + Vested", or for any combination of permitted uses requiring total AM Peak Hour Trips and PM Peak Hour Trips that do not exceed the trip capacity thresholds indicated, prior to the construction of any additional road improvements.

PHASE 1 546 AM Peak Hour Trips; 593 PM Peak Hour Trips Maximum Cumulative Trips – 4,268 AM Peak Hour; 5,612 PM Peak Hour

<u>PHASE I-A.</u> Prior to the issuance of building permits for any uses in the <u>Northern MXD</u> (except the proposed outlot located therein for the elementary school site), Monocacy shall guarantee the following improvements, with no certificate of occupancy issued (except for model homes) until such improvements are open to traffic:

- 1. Construct the southern site driveway along MD 355 (Worthington Boulevard) and provide appropriate turn lanes in accordance with Maryland State Highway Administration ("SHA") standards.
- 2. Eliminate the portion of existing Urbana Pike (old MD 355) just north of Lew Wallace Street. Re-construct the northern tie-in of MD 355 Relocated (Worthington Boulevard) with the existing alignment of MD 355 to the north, as shown on **EXHIBIT C**.

<u>PHASE 1-B.</u> Prior to the issuance of building permits <u>for more than 150 residential units</u> <u>in the Northern MXD</u> (except the outlot for the elementary school site), Monocacy shall guarantee the following improvements, with no certificate of occupancy issued for more than 150 residential units (except for model homes) until such improvements are open to traffic:

- 1. Extend the four-lane divided section of MD 355 (Worthington Boulevard) through the residential (middle) site driveway serving the Northern MXD.
- 2. Construct the Northern MXD middle site driveway along MD 355 (Worthington Boulevard) and provide appropriate turn lanes in accordance with SHA standards. Note, this is a site access improvement, and not an APFO required improvement.
- <u>PHASE 1-C.</u> Prior to the issuance of building permits in the Urbana Projects for development uses requiring more than 3,722 AM Peak Hour Trips <u>or</u> more than 5,019 PM Peak Hour Trips, (except for the proposed outlot for the elementary school located in the Northern MXD), Monocacy shall guarantee the following improvements, and all such improvements must be opened to traffic prior to the issuance of occupancy permits for such attendant development uses:
- 1. Construct an improvement to the MD 80 roundabout at the southbound I-270 ramp by providing an additional northbound right turn approach lane at the terminus of the I-270 southbound ramp.

- 2. Restripe the eastbound right turn lane at the MD 80/Campus Drive to provide an eastbound through lane and right turn lane. Construct the receiving lane taper as an auxiliary lane which becomes the right turn lane into Pontius Court (Existing Escrow Account #3249).
- 3. Restripe the northbound approach at the MD 80/Urbana Pike intersection to provide a left turn lane and a left/through/right lane, and re-time the traffic signal to provide split phasing, or provide a comparable improvement as otherwise determined by the County and SHA.

PHASE 2 512 AM Peak Hour Trips; 288 PM Peak Hour Trip Maximum Cumulative Trips — 4,780 AM Peak Hour; 5,900 PM Peak Hour

Prior to the issuance of building permits in the Urbana Projects for development uses requiring more than 4,268 AM Peak Hour Trips or more than 5,612 PM Peak Hour Trips, (except for the proposed outlot for the elementary school located in the Northern MXD), Monocacy shall guarantee the following improvements, and all such improvements must be opened to traffic prior to the issuance of occupancy permits for such attendant development uses:

- 1. Widen MD 80 to provide a second eastbound receiving lane beginning west of Pontius Court to a point determined by SHA, and, if required by SHA, a replacement eastbound right turn lane.
- 2. Restripe the westbound right turn lane at the MD 80/Carriage Hill Drive intersection to provide a through/right turn lane and, if required by SHA, a replacement westbound right turn lane.
- 3. Restripe/reconstruct the I-270 northbound ramp at MD 80 to provide an additional westbound through lane.
- 4. Construct additional lanes at MD 80/Bennett Creek Avenue, to provide the following:
 - a. Additional eastbound through lane
 - b. Eastbound right turn lane
 - c. Additional westbound through lane
 - d. Northbound triple left lanes
- 5. Construct an additional eastbound approach lane to the MD 80/Sugarloaf Parkway/Urbana Parkway roundabout.

PHASE 3 843 AM Peak Hour Trips; 1,036 PM Peak Hour Trips Maximum Cumulative Trips — 5,623 AM Peak Hour; 6,936 PM Peak Hour

Prior to the issuance of building permits in the Urbana Projects for development uses requiring more than 4,780 AM Peak Hour Trips or more than 5,900 PM Peak Hour Trips, (except for the proposed outlot for the elementary school located in the Northern MXD), Monocacy shall guarantee the following improvements, and all such improvements must be opened to traffic prior to the issuance of occupancy permits for such attendant development uses:

- 1. Extend the four lane divided section of MD 355 through the northern site driveway of the Northern MXD; construct the northern site driveway along MD 355, provide appropriate turn lanes, including a northbound double left turn lane, and signalize if and when warranted. Note, this is a site access improvement, and not an APFO required improvement.
- 2. Construct an additional eastbound through lane at the MD 80/Carriage Hill Drive intersection and provide an adequate receiving lane as determined by SHA.
- 3. Restripe the westbound right turn lane at the MD 80/Royal Crest Circle intersection to provide a through/right turn lane, extending the receiving lane as required by SHA.
- 4. Construct an additional westbound approach lane to the MD 80/Sugarloaf Parkway/Urbana Parkway roundabout.
- 5. Construct the following turn lanes at the MD 355/Park Mills Road intersection:
 - a. Eastbound Park Mills to southbound MD 355 right-turn lane
 - b. Northbound MD 355 to westbound Park Mills left-turn lane
 - c. Southbound MD 355 to westbound Park Mills right-turn lane
- 6. Construct a new northbound to eastbound I-270 off-ramp.

PHASE 4 617 AM Peak Hour Trips; 756 PM Peak Hour Trips Maximum Cumulative Trips — 6,240 AM Peak Hour; 7,692 PM Peak Hour

Prior to the issuance of building permits in the Urbana Projects for development uses requiring more than 5,623 AM Peak Hour Trips or more than 6,936 PM Peak Hour Trips, (except for the proposed outlot for the elementary school located in the Northern MXD), Monocacy shall guarantee the following improvements, and all such improvements must be opened to traffic prior to the issuance of occupancy permits for such attendant development uses:

1. Modify the I-270 southbound on-ramp from MD 80 to provide two (2) lanes, narrowing to one lane at its merge with the I-270 mainline, extending the I-270 acceleration lane, if required by SHA.

- 2. Widen MD 355 to a four (4) lane divided highway northward to a point north of the intersection of MD 355 and Park Mills Road.
- 3. Restripe the eastbound approach at the MD 355/Sugarloaf Parkway roundabout to provide a left turn lane and a left/through/right turn lane and construct a northbound right turn lane.
- 4. Modify MD 355 median at Lew Wallace Street to provide median channelization to restrict left/through movements out of Lew Wallace Street at Worthington Boulevard, or as otherwise determined by SHA.

TRAFFIC SIGNALS

Monocacy shall signalize the following off-site intersections if and when warranted:

- a. MD 80/Bennett Creek Avenue
- b. MD 80/Carriage Hill Drive
- c. MD 80/Royal Crest Drive
- d. MD 355/Campus Drive
- e. MD 355/Dr. Perry Road/Big Woods Road
- f. MD 355/Park Mills Road
- g. MD 355/Northern MXD site access across entrance to Urbana District Park

Monocacy shall perform one signal warrant analysis for each of the above intersections when deemed necessary by the SHA/County, but no later than the issuance of the last building permit in the Urbana Projects, to determine if signalization is warranted, justified and deemed necessary. Monocacy shall install a traffic signal at any of the above intersections within 12 months of a determination that a signal is warranted. In the case of signals a, through g, above, should the signal still not be warranted and justified by the time of issuance of the last building permit for the Urbana Projects, then others shall thereafter be fully responsible for construction and implementation of any such traffic signal. For site access signalization along MD 355 (signal g, above) that is forecasted to meet signal warrants under full build out, Monocacy shall provide surety for the County portion of signal costs prior to the issuance of a building permit in the section gaining access, which would be returned upon installation of the signal at any time in the future.

B. ROAD ESCROW ACCOUNTS

1. Existing County Escrow Accounts

In satisfaction of APFO requirements to fully mitigate site-generated trips (and in addition to the road improvements described in III.A. above), Monocacy shall pay into existing County-held escrow accounts the following pro rata contributions:

a. <u>Worthington Boulevard Relocated, south of MD 80.</u> Monocacy shall contribute the appropriate pro-rata share (approximately 29.2% of \$3,024,791) to Existing Escrow Account No. 3232 for improvement of this intersection by others. As determined by the County Traffic Engineer, Monocacy's total pro-rata contribution to this road improvement is \$883,139. The Escrow Payments shall be made at the following times:

Worthington Square	\$24,419
Western VC Lots	\$5,446
Northern MXD Residential	\$107,513
Northern MXD Non-Residential	\$745,761
TOTAL ESCROW PAYMENTS	\$883,139
9	ar *
Concurrent with Recordation of the first Subdivision Plat for:	Escrow Payment to Be Made

b. MD 80/Ijamsville Road. Monocacy shall contribute the appropriate pro-rata share (approximately 16.5% of \$50,000) to Existing Escrow Account No. 3383 for improvement of this intersection by others. As determined by the County Traffic Engineer, Monocacy's pro-rata contribution to this road improvement is \$8,229. The Escrow Payments shall be made at the following times:

Concurrent with Recordation of the first Subdivision Plat for:	Escrow Payment to Be Made
Worthington Square	\$279
Western VC Lots	\$0
Northern MXD Residential	\$1,002
Northern MXD Non-Residential	\$6,948
TOTAL ESCROW PAYMENTS	\$8,229

c. <u>MD 355/Campus Drive.</u> Monocacy shall contribute the appropriate pro-rata share (approximately 16.3% of \$362,322) to Existing Escrow Account No. 3248 for improvement of this intersection by others. As determined by the County Traffic Engineer, Monocacy's pro-rata contribution to this road improvement is \$59,150. The Escrow Payments shall be made at the following times:

Concurrent with Recordation of the first Subdivision Plat for:

Escrow Payment to Be Made

	Worthington Square
	Western VC Lots
N	orthern MXD Residential
Nort	hern MXD Non-Residential
ТО	TAL ESCROW PAYMENTS

\$1,864	
\$4,025	
\$6,711	
\$46,550	
\$59,150	

d. <u>MD 80/Campus Way.</u> Monocacy shall contribute the appropriate pro-rata share (approximately 2.53% of \$106,565) to Existing Escrow Account No. 3249 for improvement of this intersection at a later date. As determined by the County Traffic Engineer, Monocacy's pro-rata contribution to this road improvement is \$2,696. The Escrow Payments shall be made at the following times:

Concurrent with Recordation of
the first Subdivision Plat for:

Escrow	Payment to	Be Made

Wort	hington Square
We	stern VC Lots
Norther	n MXD Residential
Northern N	/IXD Non-Residential
TOTAL ES	SCROW PAYMENTS

\$0	
\$2,696	
\$0	
\$0	
\$2,696	

e. <u>MD 80/Bennett Creek Avenue.</u> Monocacy shall contribute the appropriate pro-rata share (approximately 2.93% of \$46,000) to Existing Escrow Account No. 3250 for improvement of this intersection at a later date. As determined by the County Traffic Engineer, Monocacy's pro-rata contribution to this road improvement is \$1,348. The Escrow Payments shall be made at the following times:

Concurrent with Recordation of the first Subdivision Plat for:

Escrow Payment to Be Made

	Worthington Square
	Western VC Lots
No	rthern MXD Residential
North	nern MXD Non-Residential
TOT	TAL ESCROW PAYMENTS

\$0	
\$1,348	
\$0	
\$0	
\$1,348	

f. MD 355/MD Route 75 signal. Monocacy shall contribute the appropriate pro-rata share (approximately 18.9% of \$200,000) to Existing Escrow Account No. 3847 for improvement of this intersection by others. As determined by the County Traffic Engineer, Monocacy's pro-rata contribution to this road improvement is \$37,973. The

Escrow Payments shall be made at the following times:

Concurrent with Recordation of the first Subdivision Plat for:

Escrow Payment to Be Made

ton Square
n VC Lots
KD Residential
Non-Residential
OW PAYMENTS
֡

\$1,773	
\$0	
\$4,561	
\$31,639	
\$37,973	

g. <u>MD 355/Firetower Road.</u> Monocacy shall contribute the appropriate prorata share (approximately 24.3% of \$401,969) to Existing Escrow Account No. 3288 for improvement of this intersection by others. As determined by the County Traffic Engineer, Monocacy's pro-rata contribution to this road improvement is \$97,769. The Escrow Payments shall be made at the following times:

Concurrent with Recordation of the first Subdivision Plat for:

Escrow Payment to Be Made

	Worthington Square
	Western VC Lots
-	Northern MXD Residential
No	rthern MXD Non-Residential
T	OTAL ESCROW PAYMENTS

\$3,306	
\$0	
\$11,902	
\$82,561	
\$97,769	

h. <u>MD 75/MD 80.</u> Monocacy shall contribute the appropriate pro-rata share (approximately 22.6% of \$582,200) to Existing Escrow Account No. 3854 for improvement of this intersection by others. As determined by the County Traffic Engineer, Monocacy's pro-rata contribution to this road improvement is \$131,964. The Escrow Payments shall be made at the following times:

Concurrent with Recordation of the first Subdivision Plat for:

Escrow Payment to Be Made

	Worthington Square
	Western VC Lots
No	orthern MXD Residential
Nort	hern MXD Non-Residential
TO	TAL ESCROW PAYMENTS

\$4,462	
\$0	
\$16,065	
\$111,437	
\$131,964	

The sum of Monocacy's contributions to existing County-held escrow accounts is \$1,045,063 ("Escrow Payment"). In summary, the Escrow Payments for the eight (8)

above defined road improvements shall be made at the following times:

	Subdivision Plat for:
Wort	hington Square
We	stern VC Lots

Concurrent with Recordation of

Grand '	Total Escrow Payments to
	be Made

	Worthington Square
	Western VC Lots
N	orthern MXD Residential
Nor	thern MXD Non-Residential
TO	OTAL ESCROW PAYMENTS

\$36,103	
\$13,515	
\$147,754	
\$1,024,896	
\$1,222,268	

C. ROADS - GENERAL CONDITIONS

1. Transportation Demand Management Program

- A. In an effort to decrease reliance on the personal automobile and encourage the use of transit, ridesharing, bicycling, and walking, Monocacy will work with the County Traffic Engineer and other designated agencies, such as TransIT and RideOn, to develop and implement a Transportation Demand Management ("TDM") program for the Northern MXD that will identify strategies that result in more efficient use of transportation resources. Possible initial strategies and components of the TDM program are more fully described in the TIA. TDM strategies can change travel timing, route, destination or mode. These strategies will be reviewed by the County Traffic Engineer and shall be tailored to each building in the Northern MXD and may be shared or combined among and between buildings to coincide with Project phasing.
- B. Monocacy will fund the TDM Program, beginning with issuance of the first building permit for the non-residential uses within the Northern MXD. A monetary contribution of \$ 0.25 per building square foot will be paid at the time of building permit issuance for the first 850,000 square feet of commercial and office uses in the Northern MXD. A monetary contribution of \$0.75 per building square foot will paid at the time of building permit issuance for nonresidential uses in the Northern MXD beyond the first 850,000 square feet. All funds paid under this provision shall be deposited by the County into an interest-bearing escrow account specifically designated to fund and implement the TDM strategies for the benefit of the Northern MXD or the Urbana Projects and shall not be used for any other purpose. Determination of appropriate TDM strategies and programs and the timing of the actual program implementation and use of the TDM funds will be at the discretion of Monocacy and in coordination with Frederick County. Development of the TDM program will consider factors including, but not limited to, development density, local conditions, mix of uses, and amount of funding available.
- C. When more than 850,000 building square feet of non-residential uses in the Northern MXD are occupied, a monitoring component of the plan will be

triggered to determine the level of success of the TDM program ("Monitoring Study"). A target goal for non-automobile mode share of site trips is ten percent (10%) under these and all future conditions. The Monitoring Study will be prepared bi-annually (every two years) following the start date and will include, but not be limited to, vehicular traffic counts at the site driveways on a typical weekday during the AM and PM peak hours and employee surveys.

- D. The results of the Monitoring Study will be compared to the trip generation rates contained in the TIA to determine if the target goal of a 10% trip reduction for the Northern MXD is met. In the event the traffic counts and surveys reveal that the 10% peak hour trip reduction has been met for two (2) consecutive monitoring periods, no additional Monitoring Studies will be required. Monocacy shall continue to fund and implement the TDM strategies in place as described in B above, through build-out of the non-residential uses in the Northern MXD. If the traffic counts and surveys reveal that the 10% peak hour trip reduction has not been met, then Monocacy shall design and implement a strategy intended to bring baseline peak hour trip reductions to the target percentage using the established TDM fund as identified in B. above. Monocacy shall submit any revisions to the TDM program to the County Traffic Engineer for review and approval within a time period acceptable to the County. The Monitoring Study requirement will terminate when full buildout of the nonresidential uses in the Northern MXD are achieved as demonstrated to the satisfaction of Frederick County through full utilization of the available land area or trip capacity, which may be less overall development density than is contemplated in the TIA.
- 2. Timing and Sequence of Development and Transfer of Trips Between Projects

The road improvements contemplated under this Combined LOU are to be undertaken jointly by the Owners of the Urbana Projects. These improvements are based upon the TIA, which included a) trips generated by background and "pipeline" development and b) utilized updated traffic counts, the remaining approved but development under the PUD Phase II Plan, the remaining approved development contemplated in the ORC Preliminary Subdivision Plan, and the trips generated by the proposed development schedule under the Northern MXD Phase I Justification Plan, the Worthington Square Concept Plan, the Western VC Lots Combined Preliminary Plan/Site Plan and the Eastern VC Lots Concept Plan.

It is understood that each Phase of road improvements required is based only upon the total cumulative trips that need to be accommodated as a result of development across all of the Urbana Projects, and not on trips generated by each individual Project. It is also understood that the timeline for development activity in individual Urbana Projects will vary from the phasing assumptions reflected in this Combined LOU and in the TIA, and that the order of development of uses within and among the individual Urbana Projects may change from time to time to accommodate market demand by potential users. Therefore, new road segments will be required to be built only when the total of cumulative trips available, or trip equivalent, for each Phase in the existing roadways has been exhausted, regardless of which of the Urbana Project(s) utilizes

the trips. There shall be no particular order in which the Urbana Projects shall be required to be developed, provided that new road improvements are constructed when required based on the total number of AM and PM Peak Hour Trips for the Urbana Projects as identified in Phases 1 through 4 on **EXHIBIT B**. It is further understood that within each Phase of road improvements, the Owners of the Urbana Projects, upon agreement reached between/among themselves, may elect to transfer, sell or assign equivalent vehicle trips to each other for the parcels that comprise the Urbana Projects; provided, however, that an increase in site trips or a significant redistribution of site traffic because of a change in land use or increase in site density, as defined in the TIA Guidelines, will require additional APFO testing.

3. Surplus Capacity Reimbursement Improvements

The parties agree that the following road improvements have been determined to be "Surplus Capacity Reimbursement improvements" ("SRC Improvements") as that term is defined in the TIA Guidelines:

- A. MD 80/I-270 (additional westbound through lane and new I-270 northbound off-ramp)
- B. MD 80/Sugarloaf Parkway (additional eastbound lane)
- C. Singleton Drive/MD 80 (additional eastbound lane)
- D. Carriage Hill/MD 80 (additional westbound lane)
- E. Royal Crest/MD 80 (additional westbound lane)
- F. MD 355/Park Mills Road (additional lanes)
- G. MD 355 widening north of Lew Wallace through Park Mills Road (additional through lanes) estimated additional costs above and beyond traditional SHA required site access costs
- H. I-270 southbound ramp/MD 80 (northbound right turn lane)
- I. I-270 southbound on-ramp from MD 80 (additional lane)
- J. MD 80/Sugarloaf Parkway roundabout (westbound approach lane).
- K. MD 355/Sugarloaf Parkway roundabout (left turn lane and left/through/right turn lane and northbound right turn lane).

In the event that other approved development projects add "trips" to any of the offsite road improvements listed above and thus are required to pay their pro rata share of the construction cost of said roads into escrow, Monocacy shall be entitled to reimbursement of the cost of the SRC Improvements from available non-exempt developers of projects

identified by the County Traffic Engineer, up to but not beyond their own fair share of the improvement, whether or not the SRC Improvements are located inside or outside of the contributing project's study area. Reimbursement may be accomplished either through reimbursement of actual construction costs incurred by Monocacy if Monocacy constructs said roads or through the reimbursement of the full fee-in-lieu escrow funds paid by Monocacy as provided above, in accordance with the requirements of Chapter 12 of the TIA Guidelines. If any of the off-site road improvements listed above as a construction obligation of Monocacy are constructed or funded by others, then Monocacy shall pay its fair share of the construction costs for each such road improvement constructed or funded by others into an escrow account based on the impact of trips generated by the Urbana Projects on such road improvement. Prior to approvals being issued by the County to other developer(s) to construct any or all of the above-described road improvements 3.A. through 3.K., Monocacy will be given reasonable advanced notice by the County Traffic Engineer and will be given the opportunity to review and comment on the County Traffic Engineer's calculation of the "fair share" of the cost of such improvements attributable to the Urbana Projects relative to other developer(s).

4. Right-of-Way Acquisition

- A. In the event that some of the public infrastructure improvements at the "collector road" level, or at a higher "highway facility level" required by this Combined LOU to be constructed by Monocacy, require the acquisition of public right-of-way from third-party property owners, Monocacy shall exercise commercially reasonable efforts to secure such right-of-way without the assistance of the County.
- B. In the event that Monocacy has demonstrated to the County that it is unable to secure any or all of such public right-of-way despite its commercially reasonable efforts to do so in a timely manner consistent with the construction of public infrastructure improvements, Monocacy may request the County to assist in the acquisition of the needed right-of-way at Monocacy's sole cost and expense. If the County approves Monocacy's request, then the County shall have two years to acquire the needed right-of-way.
- C. Should the County decide not to acquire the right-of-way, or if the two year period in paragraph B. above has elapsed, then Monocacy shall be permitted to make a contribution to the County, equal to the total anticipated improvement construction cost, which shall include, but not be limited to, costs for design, engineering, right-of-way acquisition, management, construction, inspection, etc. in lieu of constructing the public infrastructure improvement(s).

Improvements Requiring SHA or FHWA Approvals

Monocacy's obligation to construct those road improvements described above that require either state or federal approval is subject to the following terms and conditions:

Monocacy and the County acknowledge that these improvements (the "SHA improvements") will be reviewed and approved by the Maryland State Highway Administration ("SHA") and

possibly by the Federal Highway Administration "("FHWA"), and that such review and approval processes can be lengthy and are not within the control of the County or Monocacy. Accordingly, Monocacy agrees that it will diligently pursue the design and approval of the SHA improvements in an effort to expedite construction of the SHA improvements as soon as is practicable. To that end, Monocacy agrees that it shall promptly, upon execution of this Letter of Understanding or at such time as is agreed upon by the County Traffic Engineer and Monocacy, retain a qualified engineering firm to undertake the planning and design of the SHA improvements, in accordance with SHA and any other applicable governmental specifications, and shall submit initial design plans for the improvements to SHA for its review and approval. Monocacy shall not be required to design and submit all of the SHA improvements at the same time, but rather in accordance with the phasing schedule above. However, Monocacy shall prepare and process the plans for the roundabout improvement described in Road Improvements Phase I-C, item number 1 above as soon as is practicable. Thereafter, Monocacy shall promptly address all SHA, FHWA and other agency comments and resubmit responsive design plans and other requested information to SHA, FHWA or such other approving agency. Following approval of the design plans for the roundabout improvement, Monocacy agrees to promptly apply for an access permit from SHA and to enter into a construction contract with a qualified contractor for construction of the roundabout improvement. The BOCC agrees that so long as Monocacy diligently pursues all approvals of SHA Improvements, including the above-defined roundabout improvement, that may be required by SHA, FHWA or any other governmental agency in the manner described above, Monocacy shall be permitted to proceed with development of the Urbana Projects notwithstanding the fact that any of the required SHA Improvements in a particular Road Improvement Phase, including the above-defined roundabout improvement, is not completed in accordance with the phasing schedule. Monocacy agrees that in the event SHA has not issued any required permit at such time as Monocacy desires to proceed with development of the Urbana Projects, Monocacy shall post an acceptable financial guarantee with Frederick County for the estimated cost of the construction of the SHA Improvement, plus an applicable contingency, as determined by the County. The County agrees that this financial guarantee shall be released and returned to Monocacy at such time as Monocacy secures an access permit from SHA for construction of the applicable SHA Improvement.

6. Transportation Facilities Mitigation Program

Monocacy shall prepare a Transportation Facilities Mitigation Program ("TFMP") in accordance with the provisions of the TIA Guidelines. The TFMP shall be approved by the County Traffic Engineer and SHA.

IV. WATER AND SEWER

A. WATER AND SEWER IMPROVEMENTS

1. <u>Water.</u> At the direction of DUSWM, and in accordance with DUSWM's determination of actual elevated water storage needs in the Urbana Region, Monocacy shall construct a second 1.5 million gallon elevated water storage tank and attendant transmission mains. Water Tower #2 will be located adjacent to Water Tower #1 as depicted on the Water

Tower #2 approved site plan (AP #10710). Studies of water system needs in the Urbana Region are ongoing as of the date of this Letter of Understanding. Monocacy will continue to closely co-operate with DUSWM and the consulting engineers who have been retained to evaluate the water supply needs in the Urbana Region, and will continue to provide timely information to the consulting engineers so that DUSWM will have the data that it needs to approve the final design for Water Tower #2. DUSWM will provide sufficient advance notice to Monocacy following completion of the aforesaid studies so that there is adequate time to complete the final design, bidding and construction of Water Tower #2 to meet the demands of development of the Urbana Projects.

2. Sewer.

(i) Existing Sewer Service

The existing sewer connection to the Northern MXD has sufficient capacity remaining to convey approximately 0.43 million gallons per day (MGD) of effluent, after accounting for the 15% County reserve. This remaining capacity equates to approximately 425 equivalent dwelling units (EDU's), which in turn equals 425 residential dwelling units or approximately 530,000 square feet of non-residential uses, or some combination thereof. Once the 0.43 MGD capacity is depleted, the remaining development will utilize either the proposed Tabler Run Sewer outfall or, if the outfall option is unavailable, the Tabler Run Pump Station Sewer Outfall as described below.

The below-described Sewer Outfall Options are depicted on **EXHIBIT D**, attached hereto and incorporated herein by this reference.

(ii) Tabler Run Gravity Sewer Outfall

The proposed Tabler Run Gravity Sewer Outfall alignment is best described in three sections. Section One starts from a point along the existing Bush Creek Interceptor Sewer, at approximately the intersection of the interceptor and Tabler Run, running north along Tabler Run approximately 6,950 linear feet (LF) to the side of Tabler Road at the intersection of Tabler Run and Tabler Road. From this point, Section Two of the proposed alignment travels west roughly parallel to Tabler Road approximately 1,930 LF to, and under, MD 355. Finally, Section Three continues north parallel to MD 355 for another 980 LF to a central collection point for the Northern MXD. The total length of the proposed Tabler Run Gravity Sewer Outfall is approximately 9,860 LF of sewer. This proposed sewer alignment will require off-site easements and wetland disturbance permits, including a final determination that the public purpose of the sewer alignment will allow for an amendment to the conditions imposed by an existing conservation easement on certain property.

(iii) Tabler Run Pump Station Sewer Outfall

In the event that Monocacy demonstrates to DUSWM's reasonable satisfaction that the Tabler Run Gravity Sewer Outfall cannot feasibly be constructed, an alternative to the gravity outfall is a waste water pumping station located on the south side of Tabler Road, east of MD 355, on a parcel of land designated as "Sewer Pump Station Outlot B" as recorded among the land records

of Frederick County at Plat Book 77, page 36. The pump station alternative would require the construction of Sections Two and Three of the aforementioned Tabler Run Gravity Sewer Outfall. The alignment would diverge at the low point of Section Two, continuing to run to the northeast for approximately 300 LF to the proposed pump station location. From the proposed pump station, effluent would be pumped approximately 2,000 LF to the southeast through Section M-22B of the PUD to a transition manhole proposed to be located at the end of Lothbury Street in Section M-22A of the PUD. From the transition manhole, a new 12" gravity sewer line would be built for an approximate distance of 3,700 LF to be located behind the existing lots in the PUD to Manhole #44 of County Contract No. 208B-SW. The final segment entails replacement of the existing gravity line from Manhole #44 to Manhole #3 of County Contract No. 208B-SW, where the existing approximately 270 LF of an 8" sewer line would be replaced with a 15" sewer line. Monocacy agrees to replace additional sewer lines if required as a result of further studies and/or analyses, or as a result of changes in upstream development and flow generated by the Urbana Projects.

B. WATER AND SEWER - GENERAL CONDITIONS

To the extent that other development projects in the greater Urbana Region are approved in reliance upon any water or sewer improvements to be constructed by Monocacy as described in Section IV.A above, including, but not limited to, Water Tower #2, the Sewer Outfalls for the Northern MXD or a Wastewater Pump Station to serve the Northern MXD, if required, Monocacy reserves the right to seek to have the developer(s) of any such benefitted project(s) participate (or reimburse Monocacy) pro-rata in the total cost of such improvement (including, but not limited to costs for design, permits, fees, construction and inspection), including seeking to have such participation (and/or reimbursement) set forth as a conditional requirement of development approval for any such benefitted development project. The general formula for the participation in such total costs by other developers shall be determined by Monocacy and DUSWM at the time cost estimates for such improvement(s) are approved or based on actual total costs incurred. Monocacy recognizes that the County currently has no authority to require such pro-rata reimbursement as a condition of approval. Monocacy may request water and sewer capacity fee credits pertaining to the provision of public sewer to the Urbana Projects if the applicable requirements of the Frederick County, Maryland Water and Sewer Rules and Regulations are satisfied. As an alternative, DUSWM may participate with "oversizing" monies using a cost-sharing formula approved by DUSWM with the understanding that the improvements may need to be publicly bid to ensure compliance with §2-13-6 of the Code of Public Local Laws.

APFO approval for water and sewer does not guarantee that plats will be recorded or building permits issued. Plat recordation and building permit issuance is subject to compliance with the Annotated Code of Maryland, Environment Article, Section 9-512 et seq., and all other applicable County policies and regulations.

V. SCHOOLS

A. NORTHERN MXD AND WORTHINGTON SQUARE

Mitigation. The Northern MXD is projected to generate 183 elementary school students, 65 middle school students, and 76 high school students at the time of full build-out. Worthington Square is projected to generate 22 elementary school students, 7 middle school students, and 8 high school students at the time of full build-out. Based on these numbers and considering enrollment projections from "pipeline" development, both the Northern MXD and Worthington Square fail the school adequacy test at the elementary, middle and high school levels. Accordingly, Monocacy has elected the option to mitigate the inadequacy of the public school capacity by paying the School Construction Fee in accordance with the criteria set forth in Section 1-20-62 of the APFO. Monocacy shall pay the School Construction Fee at the elementary, middle and high school levels attributable to the residential unit count and dwelling type proposed to be recorded on a subdivision plat, all as set forth in Section 1-20-62(E) of the APFO. Applicable School Construction Fees shall be based upon the fee schedule in effect at the time the Fee is paid and shall be paid prior to or at the time of subdivision plat recordation. Upon payment of all School Construction Fees applicable to any of the Urbana Projects, that Project shall not be subject to further testing for school adequacy for the duration of the APFO approval period under this Combined LOU, unless the residential density or intensity of the development increases.

B. PUD and VC Lots

1. Non-Age Restricted Units. 2,769 of the residential units in the PUD have been recorded and no further re-subdivision of the applicable areas is contemplated, therefore, APFO school approval is vested for these units. There are 152 non-age restricted dwelling units remaining to be recorded, including twelve (12) lots proposed in the VC Zoned area that are immediately adjacent to and are incorporated into the 3,013 dwelling units approved for development in the PUD. The 12 VC Lots will be fully integrated into Villages of Urbana PUD, having all of the attendant benefits and burdens provided by the Homeowners Association governing the PUD. The Commission has previously granted conditional approval of a combined preliminary plan/site plan for six of those VC Lots - the Western VC Lots. The Commission has also approved of a Concept Plan for the remaining 6 VC Lots - the Eastern VC Lots.

On September 21, 2011, the Commission approved a revised Phase II Plan and APFO LOU (an amendment to the PUD LOU) for Section M-1 of the PUD to alter the previously approved mix of residential unit types. This change resulted in an intensity of use that incrementally increased the projected student generation for the non-age-restricted units. The increases in pupils caused the PUD to fail the school adequacy test for the revised dwelling unit mix at all three school levels. Monocacy chose the option to mitigate the school inadequacy by paying the School Construction Fee in accordance with the criteria set forth in Section 1-20-62 of the APFO. That 2011 APFO LOU specified that Monocacy would pay a total of \$1,552,190 in School Construction Fees concurrent with the recordation or re-recordation of the remaining lots in the PUD.

Since the time that the 2011 APFO LOU was fully executed, and concurrent with the recordation of plats re-subdividing a portion of Section M-1 (i.e. subsections M-1D and M-1E yielding 155 Townhouse Lots), Monocacy has already paid School Construction Fees in the total amount of \$1,118,475 leaving \$433,715 of School Construction Fees to be paid concurrent with recordation of future lots. The actual dwelling unit mix that will ultimately be recorded will vary slightly from the mix contemplated in the 2011 PUD Phase II Plan, but within any approved pupil generation limits. Accordingly, the remaining amount of the School Construction Fees to be paid (\$433,715) concurrent with recordation of the final 152 Lots shall be paid as follows:

- Concurrent with the recordation of the 6 Western VC Lots \$60,276 (\$10,046 per Lot)
- Concurrent with the recordation of the remaining 146 Lots \$2,557.80 per Lot (which will yield a total \$373,439 upon recordation of the final plat)

Monocacy shall pay the School Construction Fee, based upon the fee schedule in effect at the time of subdivision or re-subdivision plat recordation, as set forth in Section 1-20-62(E) of the APFO. Accordingly, if the fee schedule is changed from that which is in effect as of the date of this Combined APFO Letter of Understanding, any portion of the remaining \$433,715 in School Construction Fees would be subject to recalculation to reflect any revisions to the fee schedule.

Age-Restricted Units. 92 of the remaining unrecorded dwelling units in the PUD were approved as age-restricted units and are exempt from the APFO schools test pursuant to the "Housing for Older Persons" exemption set forth in Section 1-20-7(F) of the APFO. Monocacy shall have the option of developing these 92 units either a) as age-restricted units in accordance with the existing APFO approval, or b) developing these units as non-age-restricted units. If Monocacy chooses to develop all or some of these 92 units as non-age-restricted units, Monocacy shall mitigate the impact on the public schools for any of such units that do not pass the APFO schools test by paying the School Construction Fee in accordance with the criteria set forth in Section 1-20-62 of the APFO. Monocacy shall pay the School Construction Fee at the elementary, middle and high school levels, as applicable, attributable to the residential unit type proposed to be recorded on a subdivision plat, all as set forth in Section 1-20-62(E) of the APFO. Applicable School Construction Fees shall be based upon the fee schedule in effect at the time the Fee is paid and shall be paid prior to or at the time of subdivision plat recordation. Upon payment of all school construction fccs applicable to these units, the converted age-restricted units shall not be subject to further testing for school adequacy for the duration of the APFO approval period under this Combined LOU, unless the residential density or intensity of the PUD development increases.

VI. VESTING

Upon full mitigation (construction of improvements or fair share contributions to escrow accounts) of APFO road improvements as set forth in Section III above within the APFO approval period, the APFO road approval for the Urbana Projects shall be vested for the capacity created by the improvements and shall not be subject to further APFO roadway testing unless there is an increase in site trips or a significant redistribution of site traffic because of a change in

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land use or increase in site density as defined in the TIA Guidelines. (Section 1-20-31(H)).

Upon completion of construction of the APFO public water and sewer improvements set forth in section IV above, the APFO water and sewer approvals for the Urbana Projects shall be vested in perpetuity for the capacity to be created by the improvements and shall not be subject to further APFO testing unless the density or intensity of the one or more of the Urbana Projects increases. (Sections 1-20-41(E) and 1-20-51(E)).

Upon payment of all school construction fees set forth in Section V above, the Urbana Projects shall not be subject to further testing for school adequacy for the duration of the APFO approval period under this Combined LOU, unless the residential density or intensity of one or more of the Urbana Projects increases.

VII. DISCLAIMER

This Combined LOU pertains to APFO approval only, and shall not be construed to provide any express or implied rights to continue the development process. The Urbana Projects remain subject to all applicable rules and regulations, including but not limited to those related to zoning, water and sewer, and subdivision. The BOCC's jurisdiction and authority is limited by State and County law, and approvals may be required from other local or state governmental agencies before the proposed development can proceed.

VIII. CONCLUSION

This Combined LOU is the express evidence that APFO approval has been granted for the Urbana Projects in accordance with the terms contained herein, and this APFO approval will be effective for a period of eighteen (18) years from the date of this Combined LOU. The effective date of this Combined LOU for the purpose of the commencement of all APFO approval periods will be June 13, 2013. This Combined LOU and the APFO approvals contained herein shall expire at the close of the business day on June 13, 2031 which date is eighteen (18) years following the aforesaid commencement date. Notwithstanding this expiration date, the provisions of Section 9.5 in the DRRA of even date herewith regarding extensions of time on account of any moratorium imposed, shall apply to this Combined LOU and the expiration date stated shall be extended for one (1) additional day for each day during which such moratorium exists. The term "moratorium" is as defined in Section 9.5 of the DRRA.

This Combined LOU supersedes, replaces and voids the PUD LOU (including the 2011 APFO LOU), the ORC LOU and the Western VC Lots LOU, none of which shall be of any further force and effect.

(SIGNATURES APPEAR BEGINNING ON THE FOLLOWING PAGE)

ATTEST:	THE BOARD OF COUNTY COMMISSIONERS OF FREDERICK COUNTY, MARYLAND
Lori Depies, C.P.A. County Manager	By: Blaine R. Young President (SEAL)
STATE OF MARYLAND, COUNT	Y OF FREDERICK, TO WIT:
undersigned officer, personally appe Commissioners of Frederick County	this 3 day of 100, 2013, before me, the eared Blaine R. Young, President of the Board of County, Maryland, who acknowledged the foregoing instrument to and that he is authorized to make this acknowledgment.
WITNESS:	MONOCACY LAND COMPANY, LLC, a Maryland limited liability company
Mulma B. Dannen	By: Urbana Communities, LLC – General Manager By: Natelli Communities Limited Partnership – Managing Member By: Natelli Communities, Inc. – General Partner
167 Pr	By: A Natell / (SEAL) Thomas A. Natelli – President & CEO AC 3074
WITNESS:	URBANA CORPORATE CENTER, LLC, a Maryland limited liability company
Melmas Demin	By: A. Natelli, Managing Member (SEAL)

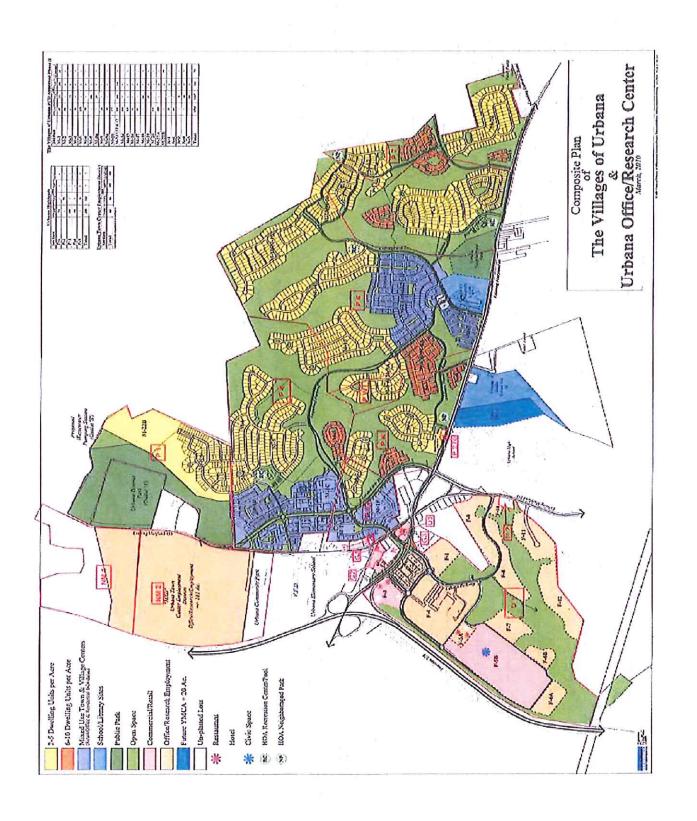
WITNESS:	URBANA INVESTMENT PROPERTIES II, LLC, Maryland limited liability company
Milmon B Barren	BY:
WITNESS:	NATELLI HOLDINGS THREE, LLC, a Maryland limited liability company
Melma B Banur	BY:
WITNESS:	NATELLI HOLDINGS II, LLC, a Maryland limited liability company
Melma B Danus	BY:

W09633 M0557

STATE OF Maryland, COUNTY OF Montgomery, TO WIT:
I HEREBY CERTIFY that on this
WITNESS my hand and Notarial Scal. William R Januar NOTARY PUBLIC
My Commission Expires: 2 · 7 · (6
STATE OF Wand and COUNTY OF Montgomen, TO WIT:
I HEREBY CERTIFY that on this
WITNESS my hand and Notarial Seal. Melma Blamen NOTARY PUBLIC
My Commission Expires: 17-16
STATE OF Mary land, COUNTY OF Montgomery, TO WIT:
I HEREBY CERTIFY that on this
WITNESS my hand and Notarial Seal.
Melmor B. Damen OTAS.
My Commission Expires: 2.17.16

STATE OF Manyland, COUNTY OF	• 1
Thomas A. Natelli, Managing Member of Na	day of
WITNESS my hand and Notarial Seal.	Melma B James OTAS
My Commission Expires:\? \\7 \ \\\@	NOTARY PUBLIC
STATE OF Maryland, COUNTY OF	A 14 M
Thomas A. Natelli, Managing Member of Nate company, and he acknowledged the foregoing Holdings II, LLC, in such capacity; and he did	day of
WITNESS my hand and Notarial Scal.	Welmar B James Maria Day
My Commission Expires: 17-16	PUBLIC
	ON COUNTY

	URBANA DE	URBANA DEVELOPMENT PROJECTS - COMBINED APFO LOU	Colon	
Owner	Parcel Key	Use	Tax Map	Now or Formerly Parcel
Monocacy Land Company, LLC	P1	Villages of Urbana P.U.D.	96	210
	P2 & P3	NOT USED		211
Monocacy Land Company, LLC	P4	Villages of Urbana P.U.D.	96	67
Monocacy Land Company, LLC	P5	Villages of Urbana P.U.D.	96	88
Monocacy Land Company, LLC	P6	Villages of Urbana P.U.D.	96	222
Monocacy Land Company, LLC	P7	Villages of Urbana P.U.D.	96	229
Monocacy Land Company, LLC	PW	Villages of Urbana P.U.D.	96	40
Monocacy Land Company, LLC	P 270	Villages of Urbana P LLD (07-230100)	90	200
Monocacy Land Company 11 C	DK	(801082-10) . G. O. G.	98	249
merceast rain company, re-	4	Villages of Orbana P.U.D.	96	217
Urbana Investment Properties II, LLC	NM 1	Urbana Town Center Employment District MXD	96	184
Urbana Investment Properties II, LLC	NM 2	Urbana Town Center Employment District MXD	96	22
Urbana Corporate Center, LLC	7	Urbana Corporate Center / ORC-MXD	96	48, 113 & 162
Urbana Corporate Center, LLC	U2	Urbana Corporate Center / ORC-MXD	96	172
Urbana Corporate Center, LLC	n3	Lot 102 - Triangle Center - VC - Commercial (07-233310)	96	63
Monocacy Land Company, LLC	G1	"Geisbert" Assemblage	96	175
Urbana Corporate Center, LLC	G2	"Geisbert" Assemblage (07-237774)	96	257
Natelli Holdings Three, LLC	63	"Geisbert" Assemblage	96	34 & 174
			-	1



URBANA PROJECTS COMBINED ADEQUATE PUBLIC FACILITIES LETTER OF UNDERSTANDING **EXHIBIT B**

Source - Wells + Associates Urbana Development Program Phasing and Trips for LOU

					ROAD	IMPROV	ROAD IMPROVEMENT PHASES	HASES			
Uses - Density (1)	Existing (2)(3)	Vested (2)(4)(5)	Phase 0	Phase 1 (6)	Cum Ph. 1	Phase 2	Cum Ph. 2	Phase 3	Cum Ph 3	Phase 4	Cum Dh
			(Existing+Vested)							2	
Residential Units	2,769	256	3,025	670	3.695		3 695		2 605	100	1000
PUD Office	69,548	70,902	140,450		140.450		140 450		3,030		0,080
Employment Sq. Ft.	360,000	515,000	875,000	100.000	975,000	475 000	-	067 600	2 447 600	750,000	140.450
Restaurants Sq. Ft.	5,966	26,034	32,000	2.000	34,000	8,000		200,100	00000		3, 187, 600
Retail Sq. Ft.	8,984	22,516	31,500	-	34.500	3302	34 802	000	40,000		40,000
PUD Retail	125,400	90,600	216,000		216,000	2000	246,000	00.00	04.002		84,802
Hotel Rooms		150	150		2000		2,000		210,000		216,000
					3		001	1	150		150
Max. Trips Available											
						The second control of the second seco		Appendix of the second	Company of the Particular Street of the Partic		The residence of the second
AM PEAK	2,453	1,269	3,722	546	4,268	512	4,780	843	5.623	617	6 240
											01.710
PM PEAK	3,303	1,716	5,019	593	5.612	288	5 900	1 036	8 036	756	7 600
						202	200,10	200	0,000	007	760'/
ADT	34,503	18,555	53,058	5.941	58.999	1 011	60.040	7 138	67 1/8	200	74.060
O THE THE TAX CON OUR OF IT I THE TAX OF THE					pooloo		010,00	1,100	041.10	4 0,0	790.17

(1) Includes PUD, VC, ORC, MXD, Worthington Square

(2) Trips based on February 2, 2001 Phased Analysis for Urbana ORC, and Table C-1 from the Urbana Town Center TIA, dated February 11, 2013

(3) Existing column assumes development is built or recorded

(4) Vested column assumes development is not built or recorded but the roadway network has been constructed to accommodate the associated trips

(6) The TIA was prepared asuming 73 Townhouse Lots in Worthington Squaro; the Concept Pian approved by the Commission contained 72 Townhouse Lots; further, the TIA was prepared assuming the VC Lots were in addition to the (5) Square footage listed in Vested column is calculated based on the studies referenced in footnote (2). Amount of trip capacity actually used for new uses will determine remaining square footage available for future development.

3,013 units included on the approved PUD Phase 2 Plan - thus the road capacities actually provided could accommodate up to 3,708 residential units or the trip equivalent in non-residential square footage/uses.

COMBINED ADEQUATE PUBLIC FACILITIES LETTER OF UNDERSTANDING URBANA PROJECTS

EXHIBIT C

The following pages depict the road improvements that are specified in Section III. – ROADS of this Letter of Understanding.

Exhibit C is comprised of Seven Diagrams/Sheets and each are labeled to indicate ROAD IMPROVEMENT PHASE and IMPROVEMENT NUMBER WITHIN PHASE corresponding to the descriptions of such improvements shown in Section III – ROADS.

INSET A – URBANA PIKE / PARK MILLS ROAD

INSET B – URBANA PIKE / LEW WALLACE STREET

INSET C – TOWN CENTER AREA / MD 80 / I-270 RAMPS

INSET D – MD 80 – CAMPUS DRIVE TO CARRIAGE HILL DRIVE

INSET E – MD 80 – ROYAL CREST DRIVE TO BRAIDWOOD DRIVE

INSET F – URBANA PIKE – URBANA PARKWAY / CAMPUS DRIVE

INSET G – URBANA PIKE – DR. PERRY ROAD / BIG WOODS ROAD

